Republic of the Union of Myanmar ★ Myanmar Investment Commission ★
Form (2)
Sr. No. 13047
Dated 31-12-2012

The Myanmar Investment Commission

PERMIT

Permit No. 539/ 2012

Date 31 December, 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. LEE SOOWON

(b) Citizenship KOREAN

(c) Address 101 - 909, HYUN DAI APT, YEON SAN 8 DONG, YEON JE GU, BUSAN, REPUBLIC OF KOREA

(d) Name and Address of principal GB STYLE CO., LTD., 56, SEOLLEUNG - RO, 146-GIL, GANGNAM-GU, SEOUL, REPUBLIC OF KOREA

(e) Place of incorporation REPUBLIC OF KOREA

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO. 2/26, KANAUNGMINTHARGYI ROAD, DAGON SEIKKAN INDUSTRIAL ZONE (2), DAGON SEIKKAN TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US $ 0.523 MILLION

(i) Period for bringing in foreign capital WITHIN THREE YEARS AFTER MIC APPROVAL

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 0.523 MILLION

(k) Permitted duration of investment 30 YEARS

(l) Name of the economic organization to be formed in Myanmar REAL STAR MANUFACTURING COMPANY LIMITED

Chairman
The Myanmar Investment Commission

စာအမှတ် ၁၃၀၄၇
ရက်စွဲ ၃၁.၁၂.၂၀၁၂

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၅၃၉ / ၂၀၁၂ ၂၀၁၂ ခုနှစ် ဒီဇင်ဘာလ ၃၁ ရက်

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. LEE SOOWON

(ခ) မည်သည့် နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ 101-909, HYUN DAI APT, YEON SAN 8 DONG, YEON JE GU, BUSAN, REPUBLIC OF KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ GB STYLE CO., LTD., 56, SEOLLEUNG-RO, 146-GIL, GANGNAM-GU, SEOUL, REPUBLIC OF KOREA

(င) ဖွဲ့စည်းရာအရပ် REPUBLIC OF KOREA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၂/၂၆၊ ကနောင်မင်းသားကြီးလမ်း၊ ဒဂုံဆိပ်ကမ်းစက်မှုဇုန်(၂)၊ ဒဂုံဆိပ်ကမ်းမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၀.၅၂၃ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့် ရရှိပြီး (၃)နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန် ဒေါ်လာ ၀.၅၂၃ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၃၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင်ဖွဲ့စည်းမည့်စီးပွားရေးအဖွဲ့အစည်းအမည် REAL STAR MANUFACTURING COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

Confidential

THE REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na- 719/ 2013(13047)
Dated : 31st December, 2012.

Tel: 95-67-406334,406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the proposal for "Manufacturing of Garment on CMP Basis" under the name of "Real Star Manufacturing Company Limited"**

Reference: Real Star Manufacturing Company Limited Letter dated (28-9-2012)

1. The Myanmar Investment Commission, at its meeting (39/2012) held on(28-12-2012) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis "under the name of " Real Star Manufacturing Company Limited " submitted by GB STYLE CO., LTD. from Republic of Korea as a wholly foreign owned investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Article 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30 (Thirty) years commencing from the date of signing of the Lease Agreement for land and building and extendable for another 5(Five) years period by mutual agreement between both parties. At the end of the Lease Agreement for land and building, Real Star Manufacturing Company Limited shall transfer the leased land and immovable properties to the lessor within three months in good condition, ground damages having been refilled and repaired.

4. The annual rent for the land and building shall be US $ 31,828.55 (United States Dollar thirty one thousand, eight hundred and twenty-eight and fifty-five cent only) calculated at the rate of US$ 6.5 per square meter per year of land area 4,896.7 square metres (1.21 acres) including factory building. The rate of rent shall be revised in view of prevailing land lease rates after every 5 (Five) years period and increase of the rent shall not be more than 10% of the preceding annual rent.

5. Since it was recorded that Real Star Manufacturing Company Limited operated under Myanmar Citizens Investment law had started the commercial

operation with effect from the date 5th March 2009. The period of 36 (thirty six) consecutive months starting from the month of commencement of commercial operation to enjoy privileges for income tax exemption as stipulated in section 21(a) of the Republic of the Union of Myanmar Foreign Investment Law was expired(terminated) on 4th March 2012. In this regards, Real Star Manufacturing Company Limited shall have no right to enjoy the tax exemption conferred by the Republic of the Union of Myanmar Foreign Investment Law.

6. In issuing this "Permit," the Commission has granted the following exemptions and reliefs under Section (21) shall have to be applied upon the actual performance of the project;

(a) As per section-21(b), exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made.

(b) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.

(c) As per section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance following 3 years tax holiday period.

(d) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per section-21(g), right to deduct from the assessable income, such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holidays period.

(g) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

7. Real Star Manufacturing Company Limited shall have to sign the Lease Agreement for Land & Building with U Ye Mar Maw Naing. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

8. Real Star Manufacturing Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. Real Star Manufacturing Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

10. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Real Star Manufacturing Company Limited shall have to consult with Directorate of Labour, Ministry of Labour, Employment and Social Security for appointment of such foreign experts and technicians.

11. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency.

12. Whenever Real Star Manufacturing Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 11(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

13. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92 (416) dated 3-12-92 [Annexure (1)].

14. Real Star Manufacturing Company Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per

para 20 of the Notification No. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

15. Real Star Manufacturing Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

16. Real Star Manufacturing Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems. In addition, Real Star Manufacturing Company Limited shall responsible to abide by the Myanmar Environmental Conservation Law, rules & regulations under the Ministry of Environmental Conservation and Forestry.

17. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Real Star Manufacturing Company Limited.

18. Real Star Manufacturing Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Article 15 of the procedures relating to the Republic of the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

Real Star Manufacturing Company Limited

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Construction
7. Ministry of Foreign Affairs
8. Ministry of Home Affairs

9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Chairman, CMP Enterprises Supervision Committee
13. Director General, Directorate of Investment and Company Administration
14. Director General ,Department of Human Settlements & Housing Development
15. Director General, Directorate of Industrial Supervision and Inspection
16. Director General, Customs Department
17. Director General, Directorate of Trade
18. Director General, Immigration and National Registration Department
19. Director General, Directorate of Labour
20. Director General, Internal Revenue Department
21. Managing Director, Myanma Foreign Trade Bank
22. Managing Director, Myanma Investment and Commercial Bank
23. Managing Director, Myanma Insurance
24. Managing Director, Myanma Electric Power Enterprise
25. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)

.al